

- Competition has not developed in local broadband business markets
 - The Commission seeks factual evidence, not speculation or predictions
 - Ad Hoc has supported its positions with marketplace data
 - Member survey reports no competitive alternatives for local exchange and exchange access services
 - Geography and technology rule out cable modem service for most business needs
 - ILECs have raised prices and earnings to record levels under the existing regulatory flexibility rules
 - BOCs are not competing out of region in local markets
 - ILECs have responded to Ad Hoc with promises and predictions
 - Expert speculation and financial analyses are no substitute for marketplace facts
 - No party has proffered evidence of competition in this market
- Until competition emerges, end users need the protection of the Computer II/III rules
 - Enterprise customers should be free to use the CPE and information services that best meet their needs
 - Business users benefit from the technological innovation and downward pricing pressure of open markets for CPE and information services
 - Open markets require unbundled, “plain vanilla” transport services at non-discriminatory prices
- The Commission must also
 - Enforce the non-discrimination, pricing, and tariffing requirements in the Act
 - Revive incentive regulation for ILEC broadband business services
 - Initialize ILEC special access rates at the price cap-regulated levels in place before MSA pricing
 - Initiate and complete an X factor specification before the CALLS plan re-targets the X to GDP-PI in July 2004
 - Continue the ILECs’ contract tariff authority so that ILECs and customers can negotiate to respond to competition if it emerges